

Protecting Medicaid Beneficiaries Act

- ❖ In 2003, following bicameral Congressional oversight, the Social Security Administration (SSA) under President George W. Bush initiated a nationwide pilot program establishing Asset Verification Services (AVS) for the Supplemental Security Income population and determinations of Earned Income Tax Credit (EITC) payments. This program was expanded nationwide under President Obama in July 2010.
- ❖ Following legislation amended by former House Energy & Commerce Committee Chairman John Dingell (D-MI) in 2008 (i.e., H.R. 5613 - Section 1940 of the Social Security Act [42 U.S.C. 1396w]) - states are now required to implement Asset Verification Services (AVS) to ensure that aged, blind, and disabled (ABD) applicants meet the financial qualifications for participation in their state Medicaid programs. During the first year of eligibility, ABD beneficiaries are 'deemed' as satisfying the requirements since SSA has validated them using its initial validation sampling.
- ❖ This policy was further enhanced in the 116th Congress via five separate votes with bipartisan support on the policy before its inclusion in the [Medicaid Extenders Act of 2019](#) (see SEC. 4), during which now-Senate Majority Leader Schumer (D-NY) and Senate Finance Committee Ranking Member Wyden (D-OR) spoke on the Senate floor in support of the legislation. The Medicaid Extenders Act strengthened current Medicaid AVS programming by adding a FMAP-withhold penalty for any state that fails to maintain an AVS program to protect its Medicaid ABD population.
- ❖ Pursuant to 2008 legislation, all 50 states have active AVS programs to individually confirm the eligibility of their ABD population. Prior to the current public health emergency, AVS systems were routinely run every 12 to 18 months, depending on the state, to help guide state policymakers on eligibility and viability of their state's eligibility threshold (i.e., the asset thresholds applied).
- ❖ AVS reviews are proven to help prevent fraud – for example, in August 2018, one state's AVS reviews detected that assets exceeded the eligibility threshold in 20% of verification requests - with 3% exceeding at least 10 times the threshold level (a \$20,000 balance detection), one-half percent of those balances exceeding \$100,000, and several balances exceeding \$1,000,000.
- ❖ The Protecting Medicaid Beneficiaries Act would extend asset verification services (AVS) to all first-time Medicaid applicants and to assist states in appropriately allocating benefits to and understanding the scope of eligible beneficiaries. This bill would help prevent individuals who are ineligible for Medicaid from receiving benefits at the expense of those in need. Further, to incentivize states to implement AVS, the legislation would allow states to keep a portion of AVS-related savings for a time-limited period and use such savings for other Medicaid beneficiaries.
- ❖ While AVS would assist states in determining beneficiary eligibility, ultimately, individual states make determinations of beneficiary qualifications or service eligibility in adherence to federal guidelines. Further, AVS is not definitive or determinative for any of other federal programs relative to housing, health or income security at the state or federal levels – for example, if a state were to determine that a beneficiary is ineligible by using AVS, that individual would not be precluded from pursuing alternative care via similar state/Federal programming.
- ❖ AVS is already being used in all 50 states successfully, regardless of party affiliation, for vulnerable individuals in their communities. With state budgets under pressure, AVS can assist governors in ensuring that states' largest healthcare program is being directed toward those in need.